



**Bank Financial Group**

# THE ECONOMIC OUTLOOK

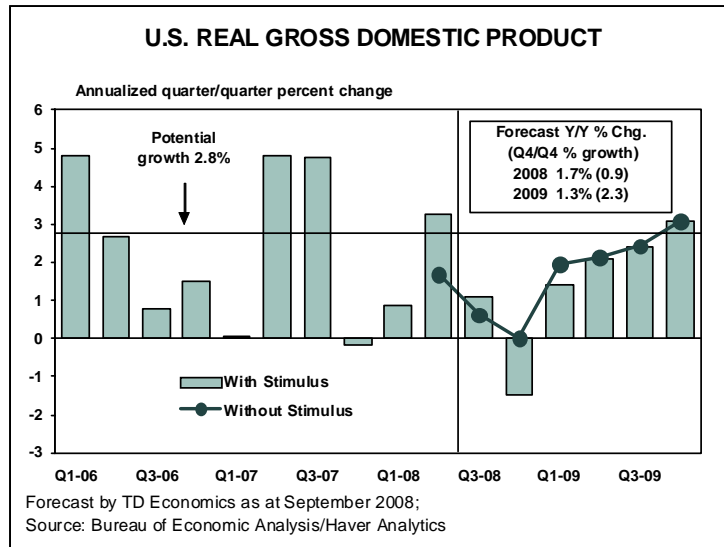


***Presentation by  
Derek Burleton  
AVP & Director of Economic Analysis***

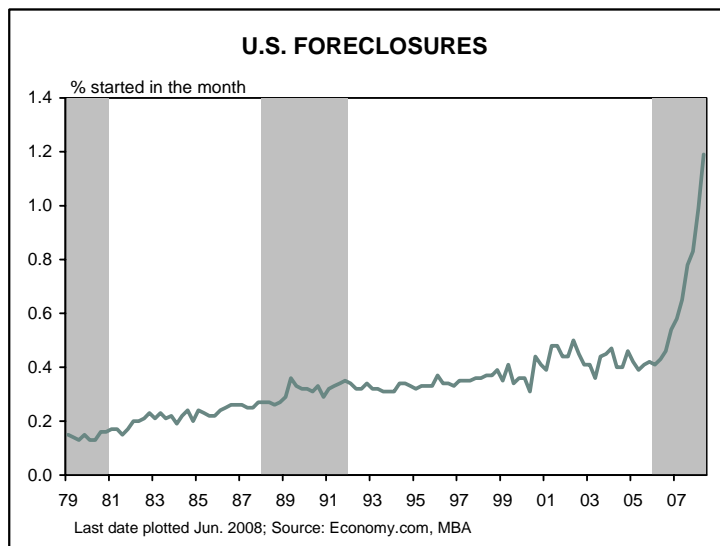
*TD Economics provides analysis of economic performance and the implications for investors. The analysis covers the globe, with emphasis on Canada, the United States, Europe and Asia.*

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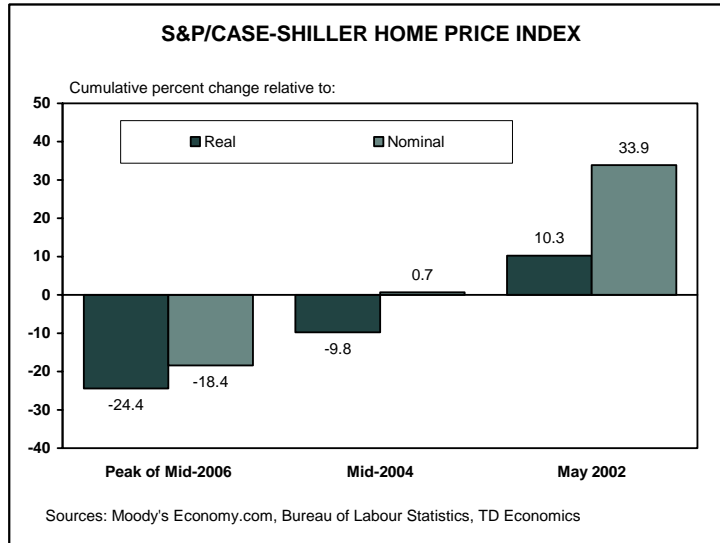
## U.S. ECONOMY IN A PROLONGED SLUMP



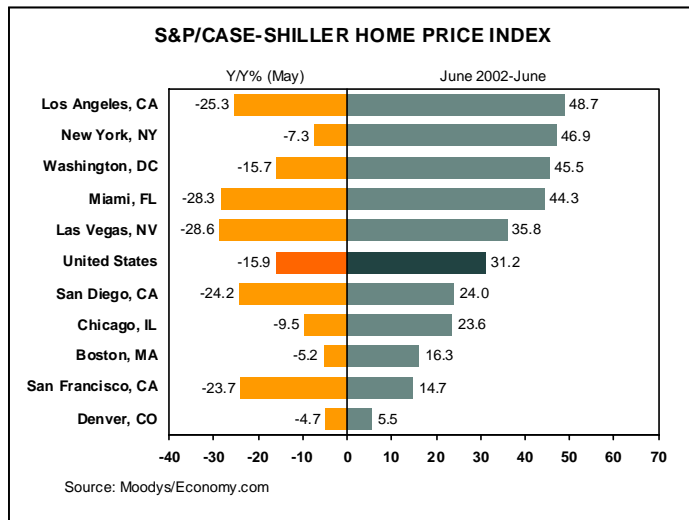
## BAD NEWS STILL ROLLING IN



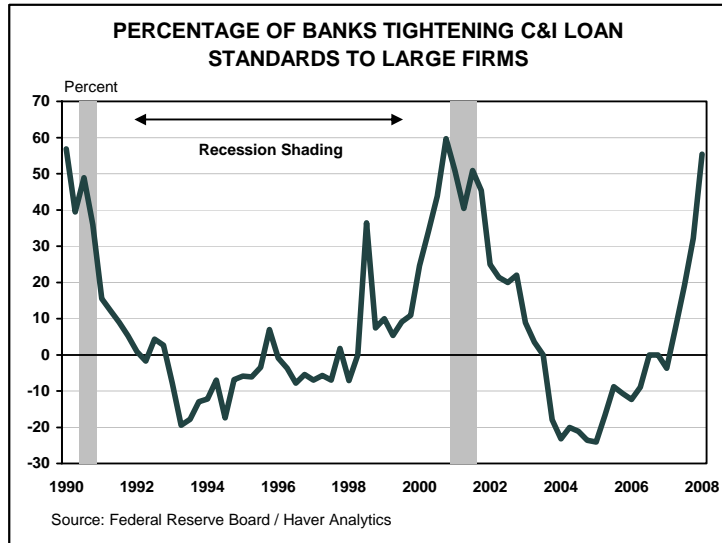
## REAL HOUSE PRICES STILL ABOVE 2002 LEVEL



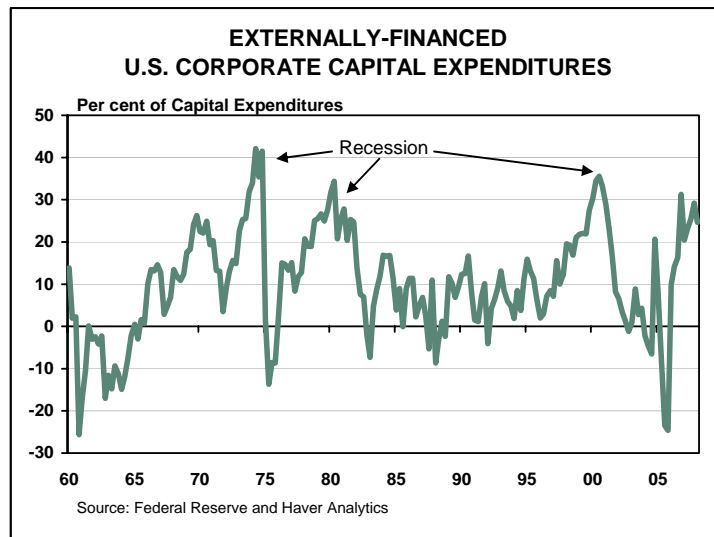
## PRICES WILL FALL FURTHER IN MANY CITIES



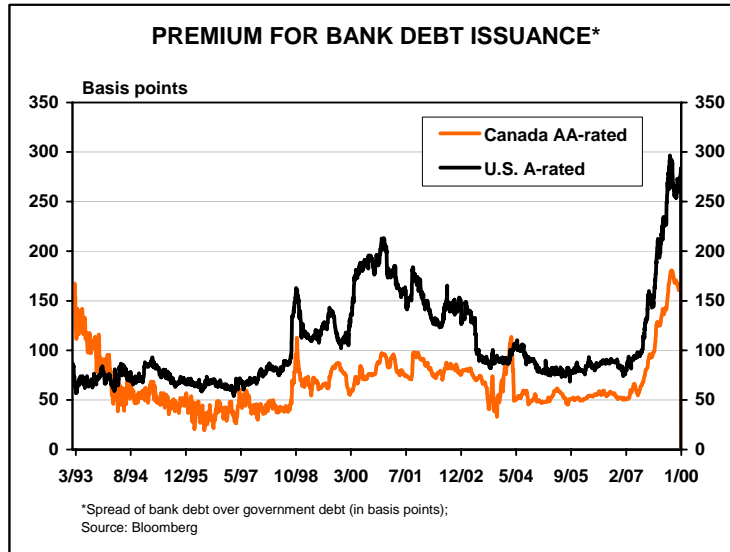
## U.S. BANKS HAVE TIGHTENED CREDIT



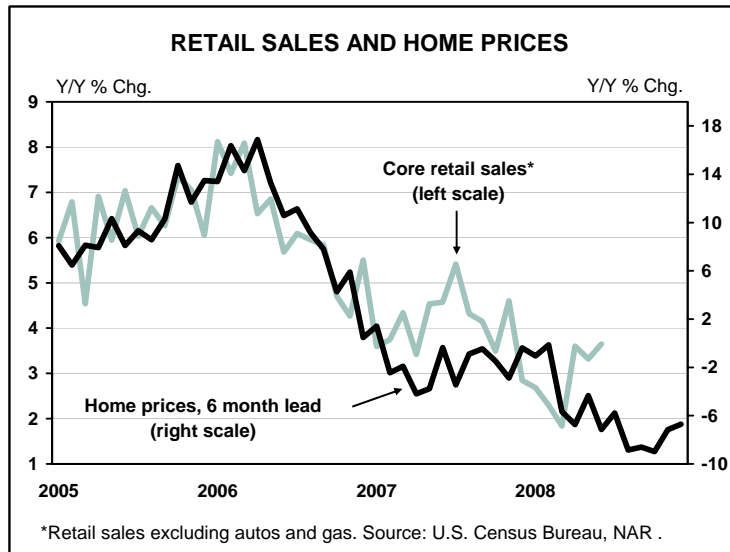
## CORPORATIONS MUST INCREASINGLY TURN TO CASH STARVED BANKS



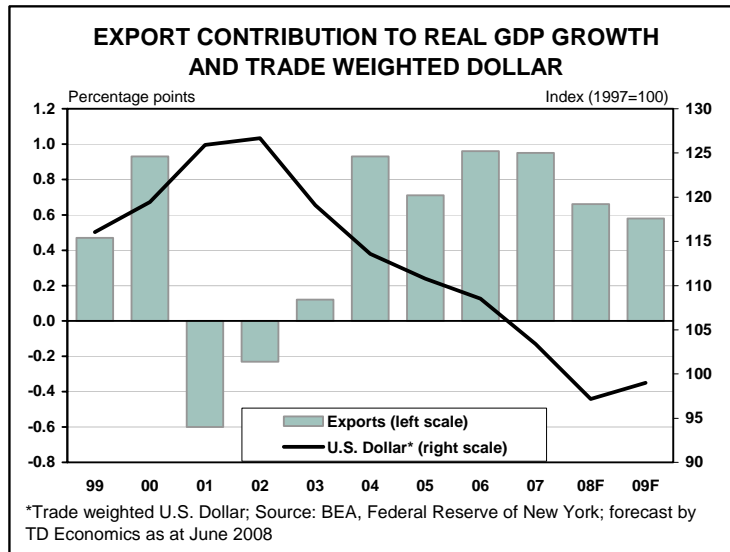
## BANKS' COSTS OF FUNDS HAVE RISEN



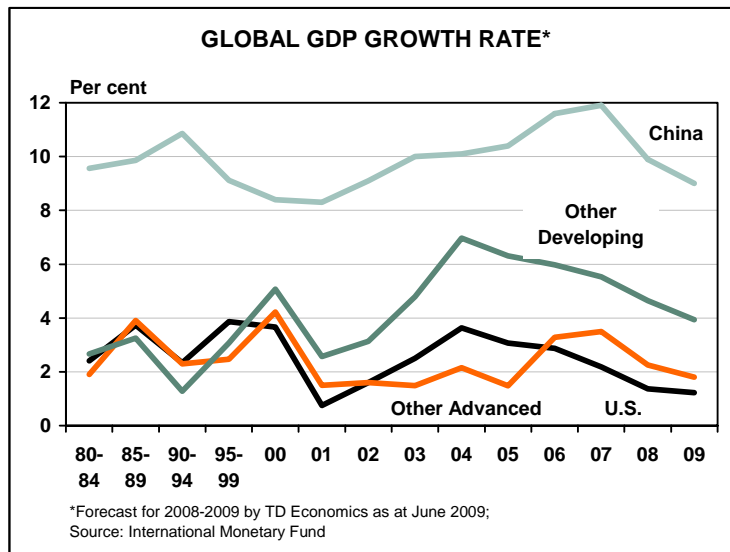
## HOUSING MARKET WOES DAMPEN CONSUMER SPENDING



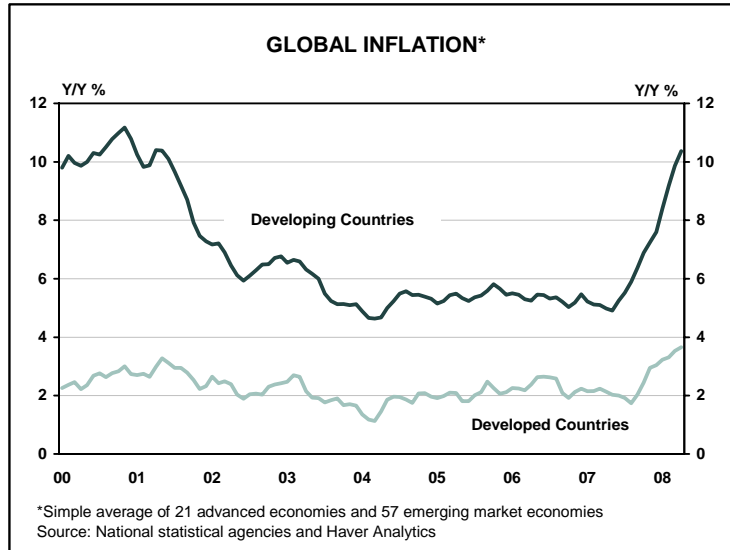
## U.S. EXPORTS RISE AS US DOLLAR FALLS



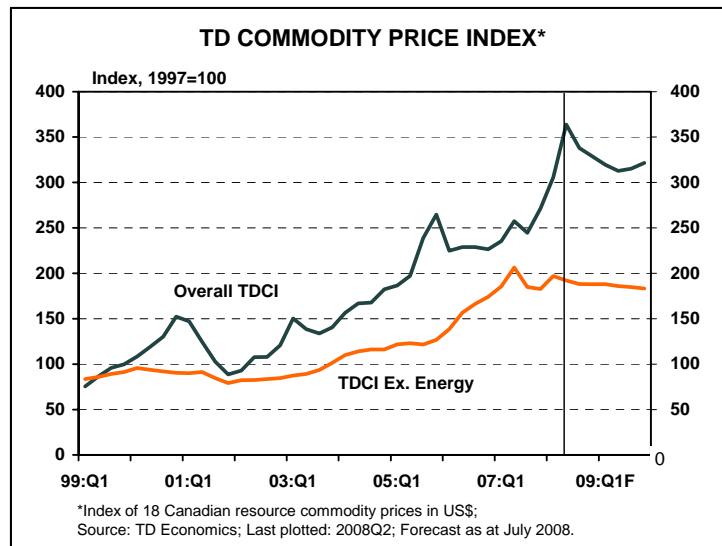
## WORLD GROWTH GEARING DOWN



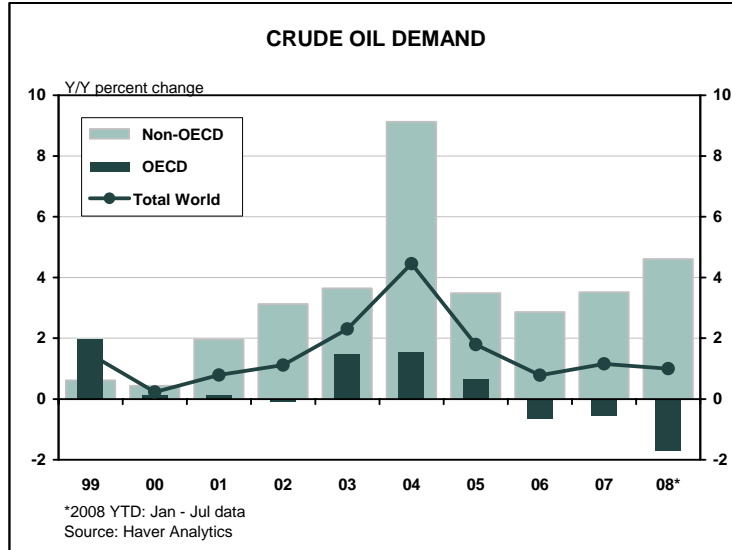
## GLOBAL INFLATION RISKS



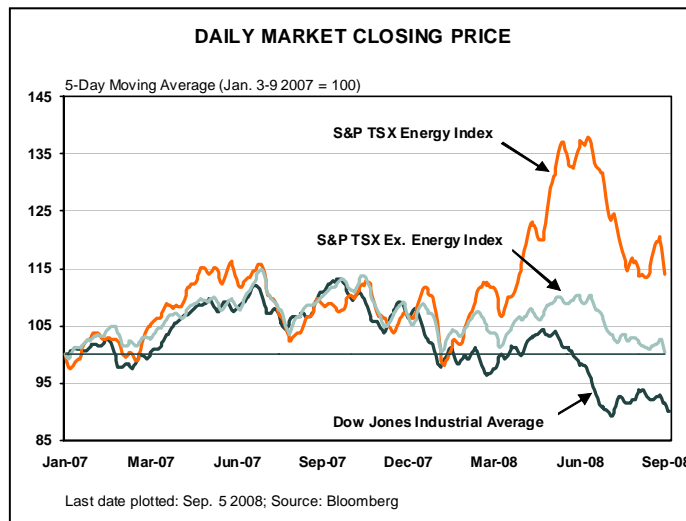
## UPSIDE TO COMMODITY PRICES LIMITED



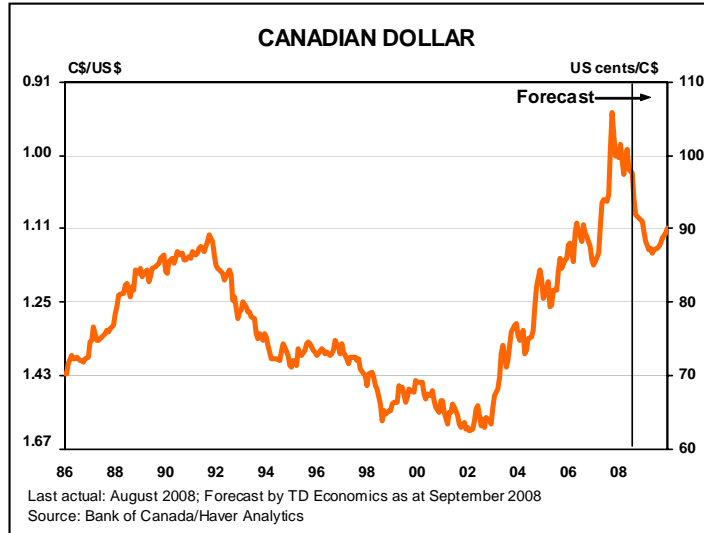
## OIL DEMAND BOLSTERED BY DEVELOPING NATIONS



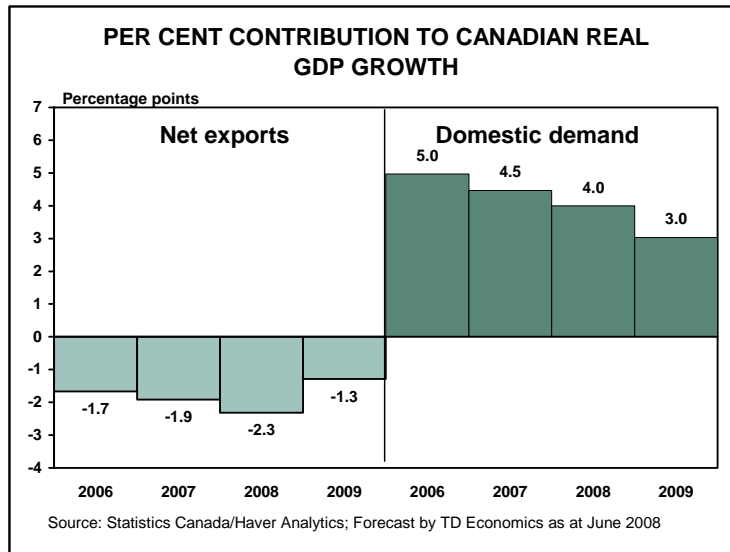
## NORTH AMERICAN EQUITY CORRECTION, CANADA OUTPERFORMING



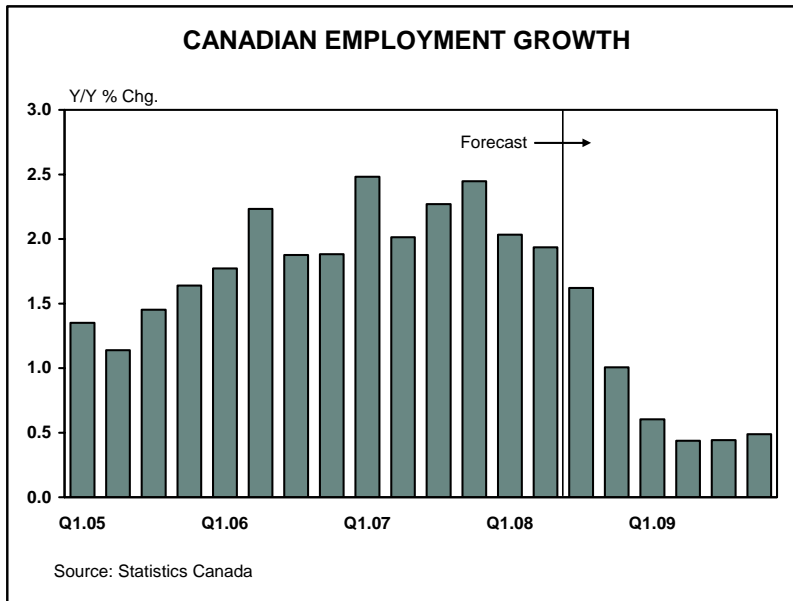
## CANADIAN DOLLAR LIKELY TO SLIP, BUT REMAIN STRONG



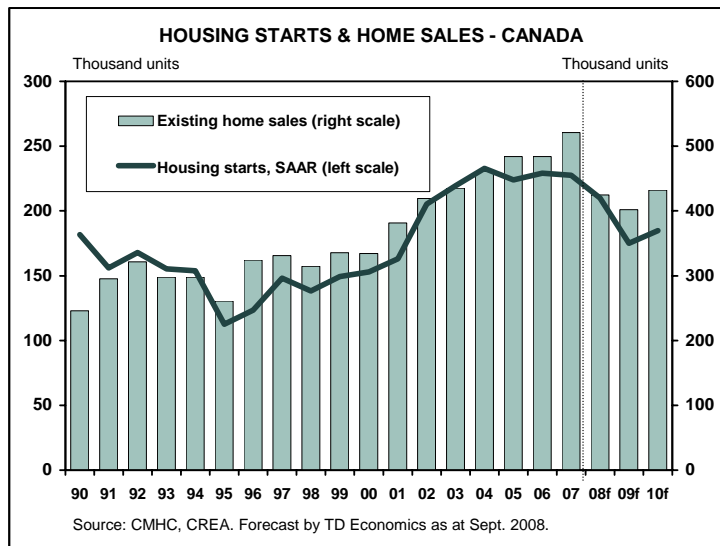
## CANADA: NET TRADE WILL BE A DRAG



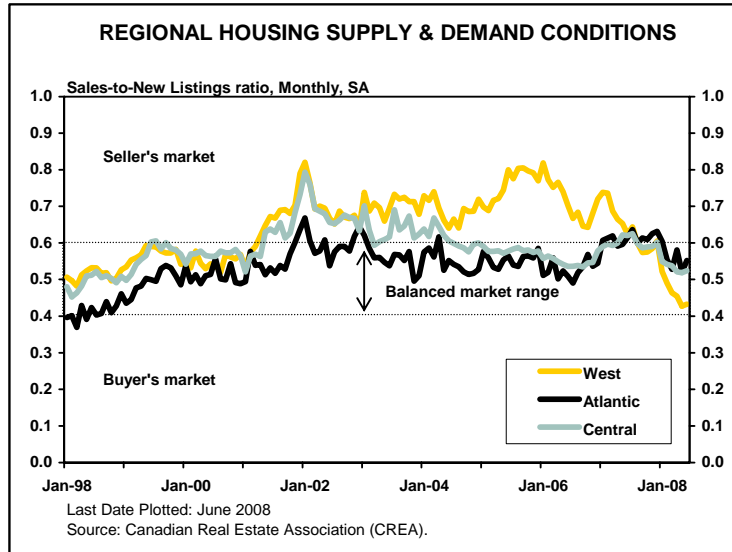
## EMPLOYMENT GROWTH FADING



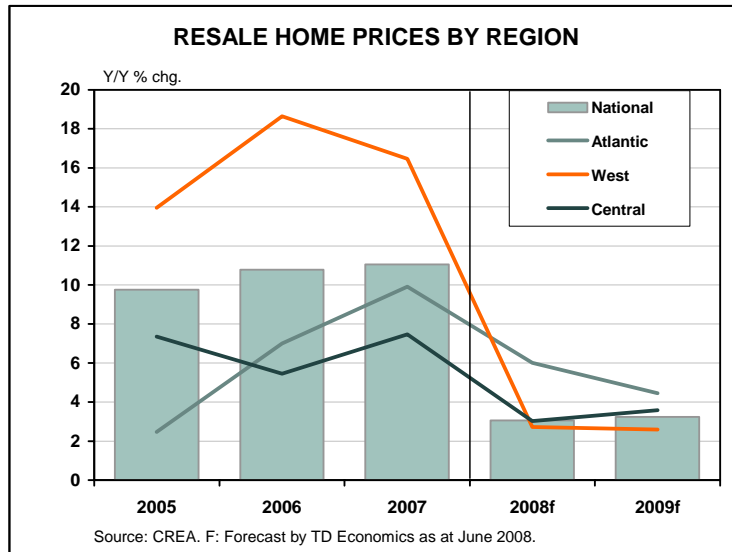
## CANADA HOUSING MARKET TO REBALANCE AFTER STRONG 6-YR RUN



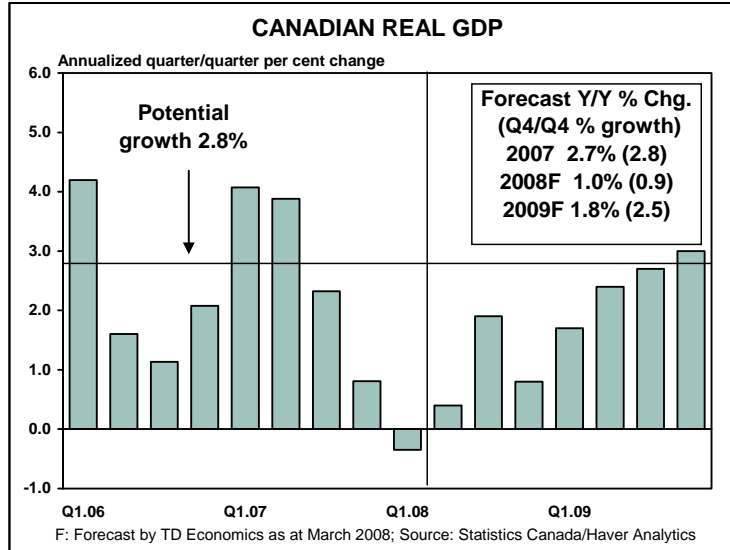
## BALANCED MARKET CONDITIONS EXPECTED



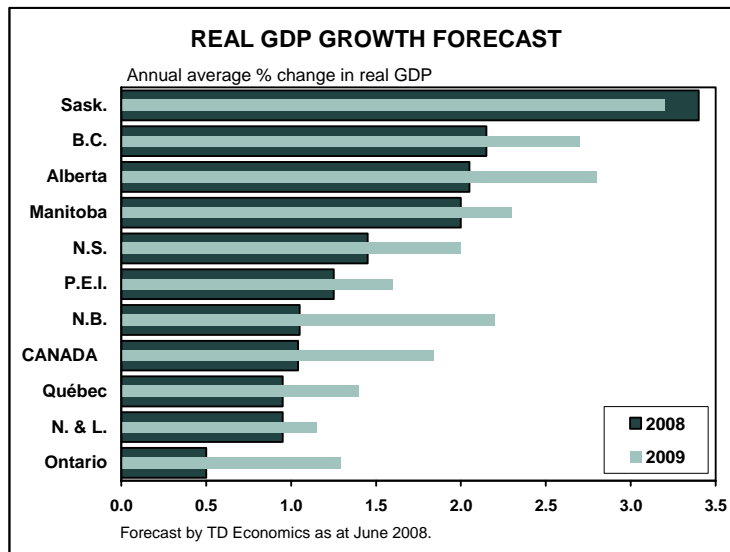
## CANADIAN HOME PRICE GROWTH EASING



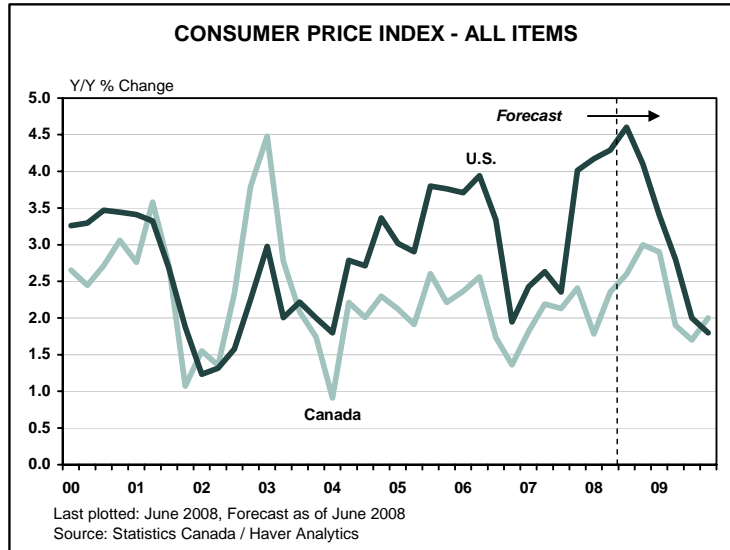
## CANADIAN ECONOMIC GROWTH HAS WEAKENED



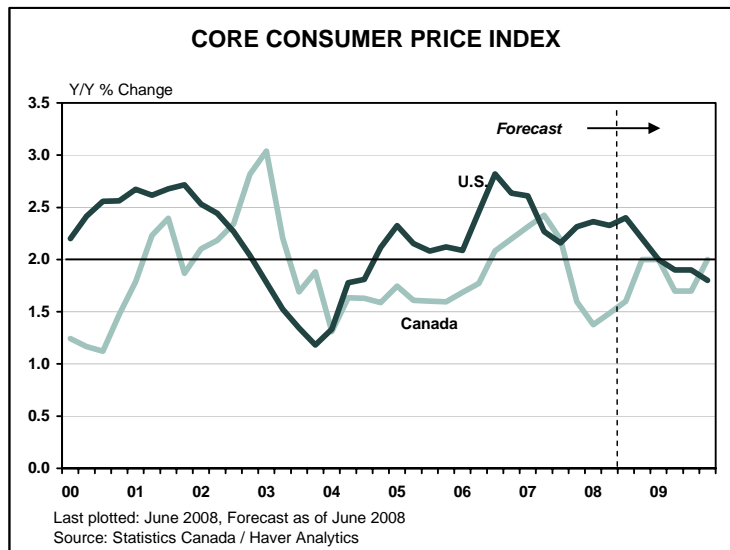
## WESTERN OUTPERFORMANCE TO PERSIST



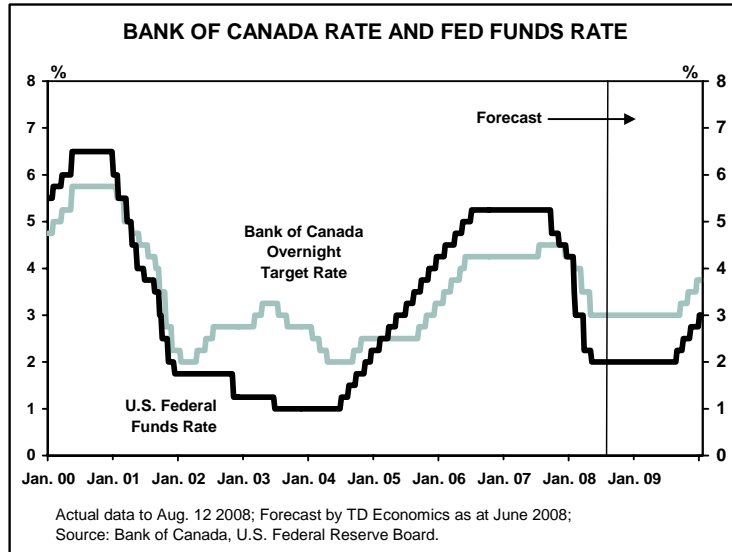
## INFLATION RISKS REMAIN, BUT EXPECTED TO ABATE



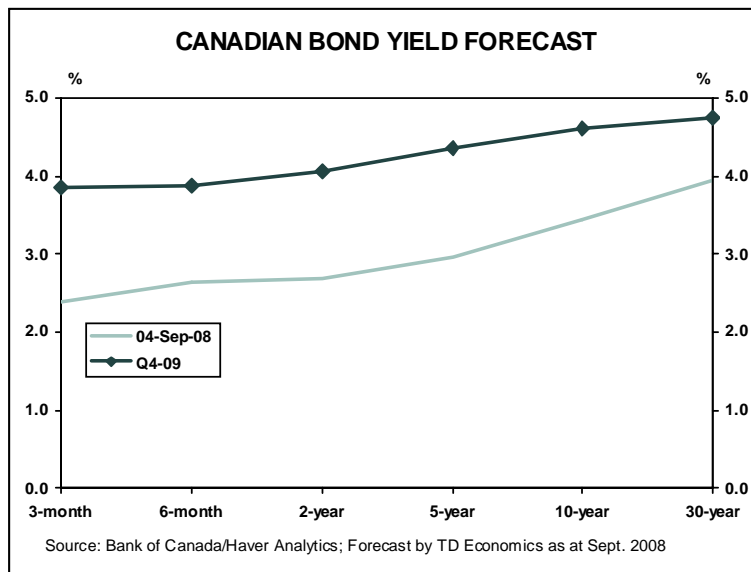
## CORE INFLATION TAME



## BANK OF CANADA AND FEDERAL RESERVE ON HOLD



## INTEREST RATES TO RISE MODESTLY IN 2009



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